

WASHINGTON (May 19) – Congressman Spencer Bachus (AL-6) today asked the Obama Administration to explain its role in the bailout of ShoreBank in light of recent reports suggesting that the Administration pressured banks that previously received funding under the Troubled Asset Relief Program (TARP) to inject capital into the Chicago-based bank.

“The Obama Administration’s involvement raises very serious questions as to why the federal government is rescuing a politically connected hometown bank when hundreds of others are forced to close,” said Bachus, who is Ranking Member on the House Financial Services Committee.

In a letter sent to the President, Bachus and Oversight and Investigations Subcommittee Ranking Member Judy Biggert demanded to know who in the Administration was involved in orchestrating capital contributions totaling approximately \$150 million by some of the nation’s largest banks, including Goldman Sachs and Citigroup, so that ShoreBank could qualify for \$75 million in TARP funding.

“When you have the Obama Administration picking winners and losers, their political friends get bailed out while taxpayers and those less politically connected get the short end of the stick,” Bachus said.

In addition to requesting responses as to who in the Administration was involved, Bachus and Biggert called on the White House to release all records of communication—including emails, phone logs and meeting records—related to the ShoreBank negotiations that exist between the Administration and representatives of ShoreBank, and executives of the banks involved in the bailout, including, but not limited to Lloyd Blankfein, Eugene Ludwig and consultants to these banks and Promontory Financial Group.

“There is no way a bank without ShoreBank’s political connections would receive this kind of attention, and these actions fully make the case as to why the government should refrain from subjective, ad-hoc bailout practices,” Bachus continued.

To view the letter to the President, [click here](#) .